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SUBJECT: Biofuels Visit Trip Report - Richard Simmons

REF: MONTEVIDEO 401

SUMMARY

1) SUMMARY: Biofuels expert, Richard Simmons visited Montevideo on October 5 and 6 to meet GOU officials, technical experts and to participate in state oil company ANCAP/ALUR's outreach program to promote the use of biodiesel that will be available by early 2010. ANCAP officials commented that the visit timing was excellent and both ANCAP and ALUR were grateful for his participation in their outreach program. The visit was funded by EEB and served as another deliverable in a series of interactions under the U.S./Uruguay Alternative energy MOU signed in 2007. END SUMMARY.

2) Richard Simmons, a AAAS Science and Technology Fellow serving as the Energy and Biofuels Officer in the Office of International Energy and Commodities Policy in EEB, visited Montevideo on October 5 and 6. During his visit, Simmons participated in ANCAP/ALUR's outreach program to promote the use of biodiesel that will be available by early 2010. The visit also included a meeting coordinated by the National Directorate of Energy with the Biofuels Technical Committee; a seminar organized by ANCAP/ALUR with car importers and other key participants to discuss the compatibility of biofuels in current automobile/truck motors; a lunch with leading businessmen; and ended with a round table with engineers in biofuels R&D.

PROGRAM OVERVIEW

3) 60 participants attended ANCAP's vehicle adaptability seminar, representing car importers and gasoline distributors. Simmons' presentation focused on modifications required to convert to fuels that incorporate ethanol addressing the following areas: infrastructure differences; properties of ethanol that differ from gasoline/diesel; efficiency considerations and; public policy considerations. The presentation also provided highlights on getting ready also for second generation biofuels and an excellent outline on addressing technical barriers and challenges. Simmons described U.S. efforts in biofuels by pointing out that the U.S. and strategic partner nations have a rich history with biofuels and the U.S. has leveraged national labs and other resources to exploit the development of new technologies. He said explained how international cooperation facilitates domestic development in

cellulosic, algal, and other technologies and how U.S. policy is continuously adapting to new findings and revising mid and long term objectives to guide the process. GOU and ANCAP officials were very grateful for Simmons' ability to share valuable expertise and lessons learned based on the U.S. experience.

4) During the meeting with the Technical Committee, Uruguayan officials concentrated their questions on specifications, regulations and quality controls; basically issues on water contamination and controls/surveillance on gasoline stations. Meanwhile, the meeting with representatives of the University of the Republic's School of Engineering, the National Agriculture Research Institute (INIA), and the Uruguayan Technological Laboratory (LATU) focused primarily on water contamination and regulations.

BACKGROUND

5) Uruguay has developed several unique tools and many fora in which to advance its blossoming biofuels agenda. Through its subsidiary ALUR (Alcoholes del Uruguay), ANCAP has formed partnerships to advance biodiesel production from sunflower seeds and other oil grains in southern Uruguay and to develop bioethanol from sugarcane and sweet sorghum in the North. Both efforts represent the national commitment to a domestic biofuel industry and the state oil company's efforts to stay ahead of the curve in a developing sector. Additionally, representatives from private industry, gasoline and automotive suppliers are joining efforts by the national directorate of energy to advise and formulate policy actions. While at an early stage in the process compared to some countries in the region, key stakeholders are approaching a more complete understanding in an effort to meet blending targets from 2 to 5% over the next 3-5 years. Uruguay is also beginning to study possibilities to develop bio-ethanol from cellulosic sources (agricultural and wood waste) in northern and western Uruguay.

COMMENT

6) COMMENT: This visit was the latest in a series of very useful collaborative efforts under the auspices of the U.S.-Uruguay Alternative Energy MOU, in which we have shared information and put representatives of the U.S. government, private sector, and scientific/academic institutions in contact with local counterparts. Post extends its thanks to Richard Simmons for his visit and the important contribution he made to biofuels cooperation with Uruguay and to EEB's Office of International Energy and Commodities Policy for making this visit possible. We look forward to continued cooperation in this area. END COMMENT.
MATTHEWMAN